

***Western plans to meet the renewable resource needs of other Federal agencies through a concept known as "green tags."***

## ***Meeting the demand for renewables***

by **Ken Maxey**

**U**nder a directive from Energy Secretary Bill Richardson, Western is helping Federal agencies acquire a portion of their electricity needs from renewable resources.

Richardson directed DOE facilities to purchase 3 percent of their electricity needs from renewable resources by 2005 and 7.5 percent by 2010. In support of DOE's green power initiative, several Federal agencies in Colorado committed in April to purchase wind power from Public Service Company of Colorado, now called Xcel Energy. Federal agencies are now looking for an alternative to this relatively expensive wind power.

Western plans to meet the renewable resource needs of other Federal agencies through a concept known as "green tags." Under this concept, renewable power is developed where the potential is the greatest, without regard for the location of the Federal load. Western then purchases the output of the renewable generation at market cost, and the participating Federal agencies pay the price difference between the renewable resource cost and the market price for power, plus any additional costs to Western.

In return, participating Federal facilities receive the environmental benefits of reducing or displacing pollution from conventional powerplants. Federal facilities would not physically receive wind, solar or geothermal power—they make a payment solely to get more renewable power on the

grid. In addition, Federal facilities continue to pay for the power needed to meet their loads from their current suppliers without change.

The "green tag" is a certificate stating that the Federal facility helped create new environmental benefits by its financial participation in the power purchase.

Western would not fund, own, construct or operate renewable generation under this program. Western's current power customers will see no impact, as Western will be compensated for all services provided and costs incurred. Initial costs, such as preparing and issuing a Request for Proposals, would be paid for by DOE.

Currently, the Denver Federal Executive Board is gathering commitments for green tag purchases from Federal agencies in Colorado. DOE also needs to determine the extent to which its facilities throughout the nation can participate in this program.

Based on the needs of participating Federal agencies, Western plans to develop and issue a Request for Proposals to develop new renewable resources. Western will coordinate the evaluation of proposals received and proceed with selecting renewable resource developers. The exact schedule for constructing renewables and their interconnection to the electrical grid will be determined in early 2001.

**(Note: Maxey is a senior planning advisor at Western.)** 